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CASH VS. COIN

An Answer to "Coin's Financial School"

Charles H. Kerr & Company, Publishers
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CASH VS. COIN

AN

ANSWER

TO

"COIN'S FINANCIAL SCHOOL"

BY

EDWARD WISNER

CHICAGO
CHARLES H. KERR AND COMPANY
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TO

JUDGE CARL A. WAGNER

OF

PORT HURON, MICHIGAN,

AT WHOSE SUGGESTION THIS CRITICISM IS PUPLISHED IN ITS PRESENT FORM, THIS BOOK IS DEDICATED.

The matter published in this book was prepared by the editor of the Evening News of Monroe, Louisiana, for publication in that paper. At the suggestion of others and for the purpose of reaching a larger number of the readers of "Coin's Financial" School it takes the present form.

All money is a medium of exchange, but intrinsically valuable money, only, is a measure of values.

Value depends upon utility and is controlled by the cost of production.

"And I don't consider it much of an achievement, either."

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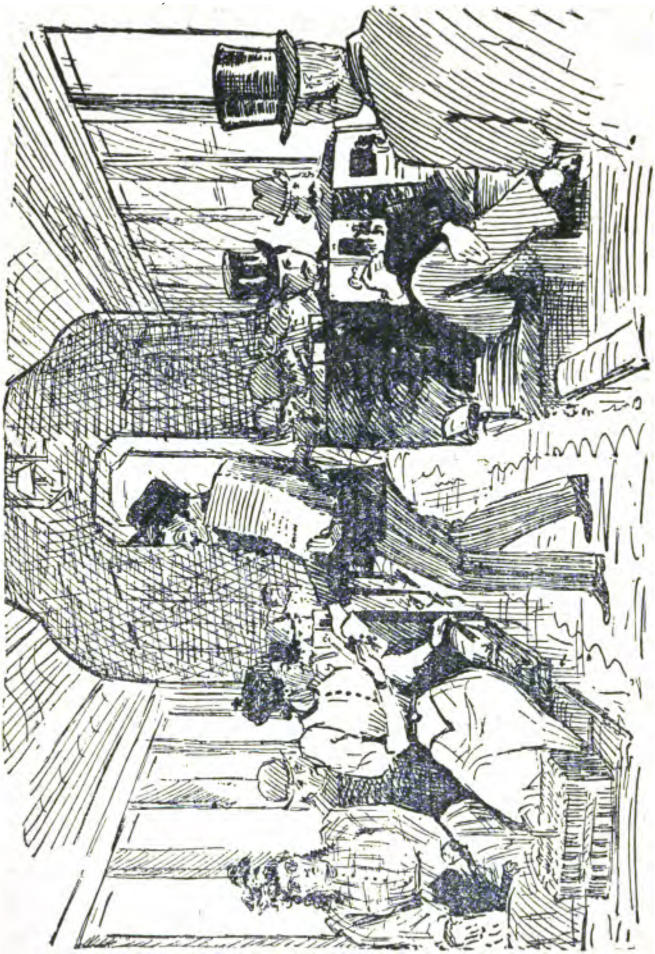


CASH VS. COIN.

CHAPTER I.

INTRODUCTORY.

THE American people are in the midst of a momentous struggle, the outcome of which no man can foresee. It is a battle royal, but it is not one of blood, and while the consequences will affect the interests of every citizen of the republic, no matter how humble, it is not a prelude either to the slavery of the masses, or the disruption of our government. The American people are determining what their money standard shall be. This is the one absorbing question. In the country store, the counting-room of the great city, in the farmer's home, and the bank president's office, on railroad trains, and everywhere where men meet and mingle, are heard the clashings of opinions. The people are thinking, and more intensely than this gen-

eration has ever thought upon a purely economic subject. They are arraying themselves into two sharply defined bodies, and entirely regardless of past party affiliations and prejudices. On one side is arrayed the substantial business interests of the country, represented by the thoughtful and educated men of business, the political economists, a major portion of the great metropolitan press, and the more substantial and intelligent among the farmers and laboring men of the country. This is the side struggling to maintain a reliable standard of values, and to prevent a corruption and debasement of the life-blood of commerce. These are the genuine bimetallists, who want neither gold nor silver monometallism. They want both metals upon terms of equality as a circulating medium, but an equality which also means a parity. They want an "honest money," which is neither an appreciated nor depreciated money.

On the other side of this question is arrayed a formidable combination of honest delusion and demagogism, of absolute dishonesty and purest motive. To this class belong those deluded people, who, like the poor, are always with us,

who think it possible for their great fetich, the government, to make something out of nothing, by creating value with the stamp of the mint, or with the printing press and paper. They are led by men of their own stamp, and by others who know better, but who wish to ride into power upon a popular wave, regardless of consequences to the people. Added to these are those who have borrowed good money, have unwisely invested it, and when caught in the squeeze, want to pay in the cheapest money obtainable, regardless of the moral phase of the operation. Besides these are the thousands who were unable to see the inevitable but perfectly proper and legitimate decline in prices, and who have been told that this decline is wholly due to a great financial crime, the result of a great conspiracy, by which silver was removed from the money of the world as a measure of values. Believing this, their honest indignation is aroused, and they are joining in, and lending respectability to a movement, which, if successful, will produce another era of wild speculation, make a new crop of millionaires, and finally wind up in another panic, with a smash in

prices, and a greater number of unfortunates in the toils.

It always has been, and probably always will be, an easy matter to catch the crowd with glowing promises. All the great swindles of history have been operated solely by promising to give something for nothing or much for very little. A very considerable number of people would be benefited by "cheap money," if men are ever benefited by repudiation, but the vast majority of honest toilers of the country are deeply interested in maintaining a stable currency, and reliable measure of values.

The soft money delusion may win in the first round, but that the American people will finally decide upon maintaining a reliable and sound financial system, the writer considers as certain, as his belief is firm in the honesty and intelligence of his countrymen.

In this little effort the writer has not attempted to add anything to the economic literature of the country, but tries, in a brief and hurried way, to warn those who are reading and quoting the subject of this criticism, of some of its most glaring errors of fact and logic, and to earnestly

appeal to those who have hastily joined the ranks of the cheap money party to apply to their financial theories the same hard, everyday sense they use in the ordinary affairs of life.

It is written with but this single purpose and presumes that all its readers have read "Coin's Financial School."

CHAPTER II.

CASH.

On March 25, 1895, while riding on one of the through express trains of the Queen & Crescent Railway in Louisiana, I sat chatting with the train baggageman, "Charley Cash," as he is familiarly known by everybody between Vicksburg and Shreveport. Charley had escaped duty for a few minutes between stations, and we were discussing the prospects of the proposed international monetary conference, when the train butcher passed through the car calling out "Vicksburg, Monroe and New Orleans papers and 'Coin's Financial School.' "

" 'Coin's Financial School' and be blanked!" said Cash, with a vehemence. "Why, do you know, sir, that fellow Coin has more cheek than a Delhi land boomer. I was in Chicago on my vacation when that charlatan was running his school, and was there every day but one. I do

not claim to be a political economist, but I routed that fellow Coin after I had caught on to his method, and don't consider it much of an achievement either.

"And yet," continued Cash, "I see people going wild over his book. Everybody is reading it. Its sale is greater than all other books sold on this train, combined, and the majority seem to accept its teaching as gospel. I think the book likely to do a great deal of harm in creating a vicious and unhealthy sentiment on the money question."

"And you say you attended his school?" said I, growing interested.

"Yes, I did, and a great deal transpired there which Coin did not put in his book."

"Tell me all about it," said I. "I, too, have read the book, and have noticed its very extensive sale. If you routed Coin, I would like your history of it."

"Excuse me for a moment," said Cash, and he went to the baggage car. He returned in a few minutes, carrying in his hand a roll of manuscript, which he handed to me.

"There it is," said Cash. "I wrote up my

experience with Coin and his school, and tried to get the Vicksburg *Herald* to publish it, and afterward the Bastrop *Appeal* and the Monroe *Bulletin*, but, as you know, they are all soft money cranks themselves, and I could not get them to print it. You can do what you please with it."

Charley Cash was educated for the bar, but being without means, became discouraged while waiting for clients, and accepted the temporarily more lucrative, but not less honorable position of train baggageman on the Queen & Crescent Shreveport line, in which position he has found ample time to supplement his early education on economic questions by extensive reading.

CHAPTER III.

CASH'S EXPERIENCE.

ON the 8th day of May, 1894, happening to be temporarily in Chicago, I heard of the remarkable performance of a youngster, who called himself "Coin," who had set up a "Financial School" in the Art Institute. As I had always taken a deep interest in economic discussions, I concluded to attend the school and see why the furore.

Coin has given to the world a detailed description of the occurrences of the six days' session of his now famous school; it is therefore unnecessary to go over the ground again.

I was only one of the throng, and quietly took my seat near the front, where I could see and hear all that was going on. During the remaining five days of the school, as Coin has told you, were present a large number of eminent Chicago citizens, lawyers, bankers, mer-

chants, and people prominent in every walk of life. Young Coin had created a sensation in Chicago. In his school-room he was master. No one could successfully dispute him. Every attempt to do so ended in complete victory for Coin.

After the second day's session—the first for me—I returned to my room at the Tremont House, to think the matter over. During the entire time while Coin was talking I had felt a strange sensation. I seemed powerless to think or to act for myself. Coin's manner and influence were simply irresistible. But my memory was good and as I revolved his statements and logic in my mind, I could clearly see that Coin's teaching was nothing but a mass of picked-up rubbish, premises of error, and like conclusions. I determined to attend the next day, and to refute such statements as I knew to be wrong.

The next day found me again in Coin's school. But it also found me under the same strange influence for which I could not account. Coin's statements were like the previous ones. Men of influence and mental power far beyond

mine made feeble efforts to refute them, but could not stand against the magnetic Coin. It was another day of victory for the young teacher, and the fourth, fifth and sixth days had the same results; Coin had been proof against all comers.

At the close of the sixth day Coin announced that his school was over. I went to my hotel confused, and utterly unable to understand how a mere boy could become such a master of men that the most palpable error could be made, for the time at least, to seem like the shining truth. For the past four days I had been trying to discover the secret of Coin's power. I had neglected the news of the day, and had devoted my time for five days to Coin. But his school was over and I concluded to drop the matter for the time, at least, and went down to the office and bought a copy of the *Times*. It contained several complimentary notices of Coin and his school. The *Times* had formerly been my favorite paper, but that was when a master journalist was at the helm. In its degenerate days I had bought it occasionally, more for the purpose of comparing it with its former self than for any merit it contained.

In the miscellaneous reading matter on the seventh page, my eye caught the headline "*Hypnotism.*" Instantly the thought flashed through my mind, "*Coin is a Hypnotist.*" I threw the paper down without reading it further. I had, I thought, made a discovery. I paced the floor; I took my hat, walked out to the street, down past the Illinois Central tracks, to the lake front. It was past midnight, but the bright moonlight made all near objects visible. I walked up the track and back again. The more I pondered, the more certain I was that my surmise was correct. How else could the strange occurrences of the past few days be accounted for?

I went back and to bed. In the morning I awoke refreshed, and with the conviction that I had discovered Coin's source of power. After breakfast I started out on my accustomed morning walk. I went south on Wabash Avenue, and had not gone far when I noticed a sign which read "Electrical Treatment." It was still early, and I walked on, resolved, however, to stop on my return. I had a theory, and wished to put it to a practical test.

Coin had announced that he would hold a reception in the parlors of the Palmer House, on that very day.

About 10 o'clock I entered the office of the Electrical Institute and requested the doctor in charge to fill me full of electricity. He placed me in an ordinary chair on the platform to which was attached a large electrical machine, consisting of a multitude of wires, a mammoth glass wheel, a powerful magnet, and a crank for turning the wheel. By his instruction I seated myself in the chair. The doctor turned the crank, and almost immediately I began to feel a prickling sensation in my flesh. The doctor turned slowly for perhaps a couple of minutes, and requested me to hold my foot towards a chair which was close by. I did so and a small flame of blue light shot out from the end of my shoe. I reached my hand up towards an overhanging wire, and the blue flame was again manifest. I felt a peculiar and indescribable sensation, and announced that I had enough. I got off the platform, paid the doctor his fee, and went out. I went at once to the Palmer House and found Coin's reception in progress. The

corridors were filled with people, curious to see and hear the now famous financier. But among the crowd I could distinguish none of the prominent people who had been floored by Coin in his school at the Institute. Senator Cullom was there, but he was as powerless as John R. Walsh and Lyman Gage had been in the Institute. I took my place in the ranks, and my turn to shake hands with the remarkable youth came in due time. As his hand grasped mine I caught his eye. His face, which was flushed, turned white, a look of surprise, followed by one of consternation, overspread his face. I said nothing and I passed on; but the spell was broken. I felt in full possession of my powers. The crowd surged on, but Coin's manner had changed, his look of confidence was gone.

My diagnosis was correct. Coin was a hypnotist; the secret of his power was mine, and I could break it. I thought rapidly; I realized that I owed a duty to the public, but how to discharge it I did not know. My power as a debater I knew would be limited, but I reasoned that if I could get Coin's spell broken I could

call to my aid the able and brilliant men who might be at hand. I resolved, and acted at once upon that resolution. I mounted a chair not far from where Coin stood, and in a tone as firm as I could command requested the attention of those who were in the room. All eyes were at once turned upon me. Coin was silent. I stated that I had attended all of Coin's sessions except the first one. That in common with all others, I had quietly listened to his statements of fact and his arguments with a subdued consciousness that he was wrong, but that on account of some power he had been able to overcome all opposition? I stated further that I believed I had discovered the secret of his hidden power. I then challenged him to hold another session of his school on the morrow at the same place, and that I would guarantee to find at least some very weak spots in his economic armor. Coin objected. Said he did not know me; that he did not have time to argue with unknown, irresponsible people. His record for the past few days would stand.

But the crowd was getting interested. Coin, for the first time, gave evidence of flinching. A

voice from the crowd said, "Give the man a chance." "Yes!" "Yes!" came from a dozen different throats in the room. Coin was in a corner. There was but one way out, and that was to face the music. Coin consented, but with evident reluctance. A school for the next day was arranged.

I returned to my room, much excited. I had undertaken what to me seemed like a huge task. What if I should fail? Coin was a smooth talker. He had the sympathy of the crowd, and that I knew to be more than half the battle.

I jotted down on paper such points as I could remember where I had considered Coin in error. I had read several of the great economists on the money question, and I felt that I could at least present to the school what would in most parts of the world be accepted as a correct monetary philosophy. I knew, moreover, that Coin's occult power over me being gone, I should have somewhat of an advantage over him. I was "in for it," anyhow, and must make my best effort.

At 10 o'clock, the appointed time, the room used by Coin at the Art Institute was full to overflowing. I was there on time. Coin was a little late, but finally showed up.

He wore his usual bland smile, and was received with cheers by his admirers, who were largely in the majority. A close observer could see, however, that Coin did not possess his full measure of self-confidence. Coin knew why. So did I. Coin knew his power over me was gone, but did not know how I had been emancipated. I did, and so now do you. I had that morning repeated my visit to the electrician.

With all the confidence he could muster, Coin tapped the bell.

"We are here this morning," said Coin, "to thrash over the old straw of last week. We have with us to-day a gentleman unknown to me or any one else in Chicago, so far as I can learn, who evidently thinks he can succeed, when the shrewdest business men of Chicago have failed, to refute our ideas. If he succeeds he shall be my teacher, and I will become his pupil."

In his politest manner Coin turned to me, saying: "You are at liberty to begin," and thereupon stepped back a little, and I stepped forward and addressed myself to Coin directly.

"To start at the beginning, Coin," said I, "I

will ask you if the statement published in the *Inter Ocean* on the morning of the 8th inst., concerning the industrial situation of the United States, is a correct report of what you said."

"It is essentially correct," said Coin.

"Do you attribute all the ills you there enumerate to the demonetization of silver?"

"I do," said Coin, "and prophesy that we have not begun to see the trouble we will if the crime of '73 be not atoned for."

"Will not your words used to describe the present depressed condition of business, just as well apply to the panic of 1873, 1857—or 1837, before silver was demonetized?"

"Perhaps they would," said Coin, but seeing the point made, hastened to add, "There are other causes for panics."

"Glad to hear that," I replied. "Other causes besides the silver question may have had something to do with the present panic.

"Coin, did you ever read the philosophical works of Herbert Spencer?" I asked.

"A little," said Coin.

"Did you ever read where Mr. Spencer mentions the common error of taking concomitant events to be cause and effect?"

"No," said Coin, snappishly. "Spencer is an Englishman, and nothing English goes in this school."

Turning to the audience, I said: "While Coin has greatly overdrawn the picture, I admit that we are in the midst of a great financial and industrial depression. I contend, however, that it is no worse than the great panics which have preceded it. To charge it to the restricted use of silver and an enhanced price of gold is wrong."

"What has caused it?" said Coin.

"I do not know all the causes," replied I, "but I believe that the principal one is the decreased cost of production."

"But that same statement was made last week by Mr. Kirk; I answered it to his satisfaction then."

"But," replied I, "you did not answer it to my satisfaction, nor do I think you did anything but evade it."

"I have no other answer," said Coin.

"Do you think gold has risen in value, Coin?" said I.

"Most certainly I do," replied he.

"Why?"

"Because," said Coin, "the gold dollar, or in other words, 25.8 grains of standard gold will buy twice as much of almost any commodity now as it would twenty-five years ago. It is all the same whether you say gold has doubled in value or everything else has shrunk one-half. I think I may say without fear of successful contradiction that gold is worth twice what it was before the demonetization of silver, and everybody except the most bigoted gold-bug admits it. The gold dollar, or any other dollar, redeemable in gold, will buy twice as much, or more, wheat, cotton, or iron, as it would before '73."

The crowd cheered Coin, and his face again wore a pleasant smile. He thought his point established.

"But, Coin," said I, "I am not a gold-bug, and I dispute your proposition. I can name you one commodity, the truest and best measure of value ever discovered, and the one by which this whole question ought to be squared. Neither wheat, cotton, iron, silver nor gold is anywhere near so reliable."

Coin's face wore a puzzled look as he asked, "What is that commodity?"

"A given unit of human labor," I replied. "A day's work will answer well for that unit."

Coin was silent.

"Do you admit," asked I, "that human labor is the true measure of value?"

"I had never thought of that," said Coin, "but I can see no objection to it."

"Before going any farther," said I, turning to the audience, which were now listening with rapt attention, "I wish to reach some basis of agreement. I contend that any discussion of the money question should take into account only normal conditions. I do not think that the time of a temporary panic, in which men's fears are magnified, and ordinary principles do not control business, makes a fair comparison with a former normal period. I shall therefore ask Coin to take, as the period for comparison, with what he considers the good old times, the period of one or two years just before this present panic. Say '91 and the first part of '92. Is not that fair?"

"No," said Coin, "I will not; the panic is the result of the demonetization of silver, and you cannot discuss the question and leave that out of account."

"How do you know that?" asked I.

"Because," said he, "the panic was the result of the continuously falling value of the great products of the world, and that decline in price has been uninterrupted ever since silver was demonetized."

"And for a long time before," interrupted I.

Apologizing to Coin for this interruption, I waited a moment for him to proceed; but he was silent.

"You must admit," said I, "that for years before 1873, wherever labor-saving machinery and cheapened transportation had begun to play their part, a process of cheapening had been going on. Is not that so?"

"I am not prepared to deny it," was Coin's reply.

"To get back to the foundation," said I to the audience, "I shall, with or without Coin's consent, use the years preceding this panic as the period for comparison with the olden time. I appeal to you, my listeners, am I not right?"

Manifestations of approval from all parts of the audience settled the matter.

Coin looked confused, but said nothing.

"Let us now take our new measure of value," continued I, "a measure which even Coin admits is the best one, and measure gold by it. You see I am a stranger here in Chicago. I have no opportunity to marshal statistics, but I will keep myself within limits recognized by all intelligent men. I make this assertion, that a day's labor will to-day buy more of anything the human family needs, including gold, than it would forty years ago, before the mythical English baron and his equally mythical American co-conspirators were ever conjured up in the minds of the American soft-money jingos.* A day's labor will buy more than one and a half times as much gold, twice as much clothing, and ten times as much literature as it would forty years ago." I turned to Coin, and asked, "Do you dispute that assertion?"

Coin was dumb. He had disappointed the audience and his spell was broken. While no violent manifestations of approval were apparent, I felt that I was winning my way, and was therefore encouraged.

"Nearly all things are cheaper now," continued I, addressing the audience, "including

*See table on next page.

The following table of comparative values is compiled by Mr. Edward Atkinson from the report of the Finance Committee of the United States Senate, computed under the direction of Commissioner Carroll D. Wright.

In this table the prices of the year 1860 are taken as the base—100—and variations up or down are based upon the prices of that year.

PRICES, WAGES, PURCHASING POWER.

	1845	1850	1855	1860	1865	1870	1875	1880	1885	1890
Meat	79.4	86.6	104.7	100	197	174.3	140.4	103.6	107.6	99.6
Other food	82.8	80.7	114.5	100	240.3	146.3	135	116.9	97.2	103.5
Clothes and clothing	97.1	91.3	94.7	100	299.2	139.4	120.1	104.5	84.8	82.4
Fuel and lighting	......	102.6	121.1	100	237.8	196.5	156.5	100.2	89.6	92.5
Metals and implements	110.8	114.8	117.8	100	191.4	127.8	117.5	96.3	77.4	73.2
Lumber and building materials	106.7	102.2	103.4	100	182.1	148.3	143.7	130.9	126.6	123.7
Drugs and chemicals	121	123.6	129.2	100	271.6	149.6	144.2	113.1	86.9	87.9
House furnishing	102.3	125.6	121.1	100	181.1	121.6	95	85.2	70.1	69.5
Miscellaneous	114.8	107.7	115.2	100	202.8	148.7	122.9	109.8	97.5	89.7
Average of all prices	102.8	102.3	113.1	100	216.8	142.3	127.6	106.9	93	92.3
Average of all wages	86.8	92.7	98	100	143.1	162.2	158.4	141.5	150.7	158.9
Average wages by importance	85.7	90.9	97.5	100	148.6	167.1	158	143	155.9	68.2
Salaries of city teachers	74.8	83.8	91.4	100	134.7	186.3	188.1	182.8	186.3	86.3
Paper money	100	100	100	100	49.5	81.1	88.8	100	100	100
Gold price of silver bullion in London	95.3	97.3	100	100	99	98.2	92.2	84.7	78.7	77.4
Purchasing power of wages	84.4	90.6	86.6	100	66	114.1	124.1	132.3	162	172.1

gold, because it takes less human labor to produce them. It takes less labor to produce not only a bushel of wheat, but a *dollar's* worth of wheat, than it did forty years ago. The same is true of everything that is cheaper. Name me any product which requires the same amount of human labor it did in the '50's, and I will show you an article that is *dearer* instead of *cheaper* than it was then. This is true because the commonly accepted standard of value of gold is cheaper than it used to be, or in other words human labor is relatively dearer. I can think of no such commodity at this time outside of literature and the fine arts."

"I will admit," said Coin, "that what you say was, in a measure, true a year or two ago, before we had felt the worst effects of this demonetization of silver, but now men are unemployed, and no matter how much a day's work might buy, they cannot get the day's work."

"But," I replied, "this panic will not always last. Before one year rolls around the revival will have become manifest.* That is, if the soft-

*At this date, April 15, 1895, a larger proportion of the unemployed of one year ago have found regular employment. Wages which were temporarily reduced during the panic are

money people do not keep all those who have money scared out of their wits. Men will again find employment for their labor, and that labor will continue to buy an ever-increasing supply of all that makes good living. The panic has taken the wind out of many enter-

being rapidly restored to the rates prevailing in 1891 and 1892.

It is rather late to call attention to the signs of better times. The wise banker did that six weeks and more ago, who was quoted in these columns as saying that he fixed the 9th of February as the turning day. Still it is worth mentioning that the largest dry goods house in the city sold more goods in the month that closed yesterday than in any other March in its history. Things are picking up.—*Cincinnati Commercial-Gazette* of April 1.

New York, March 30.—Bradstreet's to-day says:

"General trade for the third week in succession continues to show evidences of improvement. In no other direction is this so plainly indicated as in the tendency of prices. A week ago encouragement had been obtained from a generally unexpected advance in cotton and wheat. Following their slight reaction, the week has witnessed a firm cotton market, further improvement in wheat, with a systematic influence on corn and oats, the effect of which is greatly emphasized this week by advances in quotations, not only for coke, but prospectively for iron and for Bessemer pig iron, for steel billets and actually for manufactured iron at western markets.

"The better feeling in general trade circles which characterized reports from a number of cities has become more widespread, and even where no actual gain in movement of staples is reported, increased confidence in a better demand is marked."

prises which were maintained on a fictitious basis, and thereby supplying their product or service at a higher price than legitimate cost. In that way, at least, the ill wind will blow some good."

Just here Mr. Joel Bigelow asked how a "natural" fall in prices could produce a panic. "If labor has not fallen, it seems," continued he, "that that indicates a strong demand for it, which should keep everything moving."

"I did not come here to expound my notions of political economy," said I, "but simply to refute some of Coin's worst errors. I am afraid that an explanation of this kind would take too much time."

"Go on, give us the explanation," came from half a dozen sources.

There was none of the excitement of Coin's school, but an intense interest. They were hearing the other side of the case, and wanted to get it all.

"The cheapened cost of production," said I, "very seriously affected the value of the great corporation properties of the country, principally the railroads. It has been the custom in

this country to bond corporation properties for all or nearly all they cost, and sometimes more. There are railroads running into Chicago which are to-day bonded and paying interest on a cost of $120 per ton for steel rails. Steel rails can now be bought for one-fifth of this sum, and of course, bonds predicated on the higher cost cannot, except when franchises are very valuable, keep their old value. The bonds calling for dollars had not, nominally, declined with the value of the security. So long as interest could be paid, the bondholders did not trouble themselves about the decline in the cost of the railroad building. But the panic has waked them up; or rather, their awaking produced the panic. The same statement is true of a hundred and one other forms of property. Nothing can long be worth more than the cost of reproduction. When people began to make an examination of the new, but perfectly legitimate condition they became alarmed. Prices of their securities began to tumble; loans based upon them were called, and as they had lost much of their value, nobody knowing how much, it became impossible to negotiate new loans. Fear

became general and all confidence in values of nearly all kinds was lost—and that was the panic. The shock was largely precipitated by the agitation of the free silver people, who wanted to pay their debts in cheaper money, in money which would cost less labor or effort than the kind they had borrowed. European investors became frightened first, and by unloading American securities on our market, produced the crash at home."

"I contend," broke in Coin, "that plenty of money, such as the free coinage of silver would produce, would have maintained the value of their securities, and the panic would have been averted. Is not that true?"

"It would be possible," said I, "temporarily to keep prices from declining by applying the cheapening process to money. It would be possible for a time to keep prices rising by making money still cheaper. But it would not be desirable to do so, even to avoid a panic, since a continuation of that process would produce a much worse panic than we now have. A monetary unit should as nearly as possible represent, continuously, a given amount of human labor

or effort. The one product which has done that more nearly than any other, is gold, but owing to improved mining facilities and transportation, even that is continuously growing cheaper, that is, taking yearly, less human labor to produce a given quantity. Silver formerly kept gold a very close race, but since the use for it as money has lessened, because of the adoption of the gold standard by so many of the great nations and the much cheapened cost of production, it has fallen greatly in price in the last few years—it matters not whether your measure be gold or labor."

"Did not I show the other day," said Coin, "that the stock of silver in the world has cost over $2 per ounce?"

"No, you did not," I replied, "you do not know what the present stock of silver cost per ounce. When you say dollars it depends what kind of dollars you mean. Even if it did cost $2 per ounce in gold, its present value is dependent entirely on what it costs to produce silver now, just as the present value of railroads depends upon the cost of reproduction."

"But I contend," said Coin, "that when un-

productive mines and unrewarded effort are taken into account, the cost of producing silver has not materially declined, and there are many men in Chicago who know that I am telling the truth."

"Men continue to produce a product at a cost of two dollars and sell it for sixty cents, do they?" I asked.

"I mean that that is the average cost," said Coin; "it does not cost all producers that."

"But," said I, "men figure the average cost when they engage in business, do they not?"

"I suppose so," said Coin.

"Then your estimate is incorrect or your silver miner is a fool.

"So far as your Chicago silver miners are concerned," I continued, "it is altogether probable that the whole lay-out was really a 'gold mine' located in Chicago, and that it was *worked* entirely without spades or blasting powder."

Everybody in the room, except Coin, Joel Bigelow and Hon. George Sengel, of Fort Smith, who carries the politics of Arkansas in his vest pocket, laughed outright.

"You admit, do you," said Coin, "that the demonetization of silver has made it cheaper?"

"Undoubtedly. A lessened demand and a continued large production necessarily made it cheaper."

"And with it wheat, cotton and iron have grown cheaper," broke in Coin.

"Yes," I replied, "but not because of it. As I have before stated, the great staples of the world are cheaper because it takes less human labor to produce them. Every new railroad and steamboat, every labor-saving machine and improved process of manufacture increases the grasp which labor holds on the desirable things of the world. The only way the human family can be benefited by the triumphs of science and art is by a decreased cost of the things it needs. The words 'cheap' and 'dear' mean nothing without a standard for comparison. When compared with human labor, things can never get too cheap."

The audience approved and even Coin nodded assent.

"According to the published reports of our first day's session, Coin, you spent the most of

your time trying to prove that one is a unit and that 371¼ grains of silver were selected by the revolutionary heroes as a standard of value for the country, because they had a great hatred for England and an intimate knowledge of her designs on this country. Am I correctly informed?"

"I stated it differently," said Coin.

"But substantially the same," said I.

"Now, Coin" said I, "you did not prove* that 371¼ grains of pure silver was adopted as a measure of value by the founders of our monetary system, but suppose you had, would it make any difference in the discussion of this question, to-day?"

"I think it would," said Coin.

"Why?" I asked.

*The following is that portion of the statutes of 1792 which Coin twisted about and perverted on pages 10, 12 and 16, Coin's Financial School. This is the correct reading:

"Sec. 9. And be it further enacted, That there shall be from time to time struck and coined at the said mint coins of gold, silver and copper of the following denominations, values and descriptions, viz.: Eagles—each to be of the value of ten dollars or units, and to contain two hundred and forty-seven grains and four-eighths of a grain of pure, or two hundred and seventy grains of standard gold.

"Dollars or units—each to be of the value of a Spanish milled dollar as the same is now current, and to contain three hundred and seventy-one grains and four-sixteenth parts of a grain of pure, or four hundred and sixteen grains of standard silver."

"I—I—I cannot say just now."

"Now, Coin," said I, "do you really think the hatred of England has anything to do with the selection of a standard of value for this country? And if it had, do you think that would be a sensible controlling motive? Do you not know that our silver dollar was made of its present weight and fineness simply because it coincided with the Spanish Milled Dollar, at that time the most common coin current on this side of the Atlantic?"

Coin did not answer.

"And, Coin," I continued, "tell me honestly, what do you think of an advocate and his cause when he must pervert facts and appeal to national prejudice to make his case appear plausible?"

"You are nothing but a gold-bug, English worshiper, and I will make no reply to your arrogant and insulting questions," said Coin hotly.

"That is your safest course," said I, as good-naturedly as possible.

"An appeal to the prejudice of the American people against the Mother Country," continued I, turning to the audience, "is the resort of

every demagogue who has no argument. It has long been tolerated in political campaigns, but for a would-be political economist, posing as a teacher of the public, to make use of such means is both disgraceful and outrageous. The money question should be discussed on a higher plane, and in such a discussion the appeal should always be to reason and never to prejudice."

Coin was still silent, but angry and agitated. The audience cheered and this seemed to increase his anger. He was no longer master of the situation. His magnetic influence over his audience was gone.

I turned again to Coin and said: "So far as I can learn, it would be perfectly safe to admit pretty much everything you said during your first day's school and still deny your conclusions. You stated some facts, but in a way to befog and mislead."

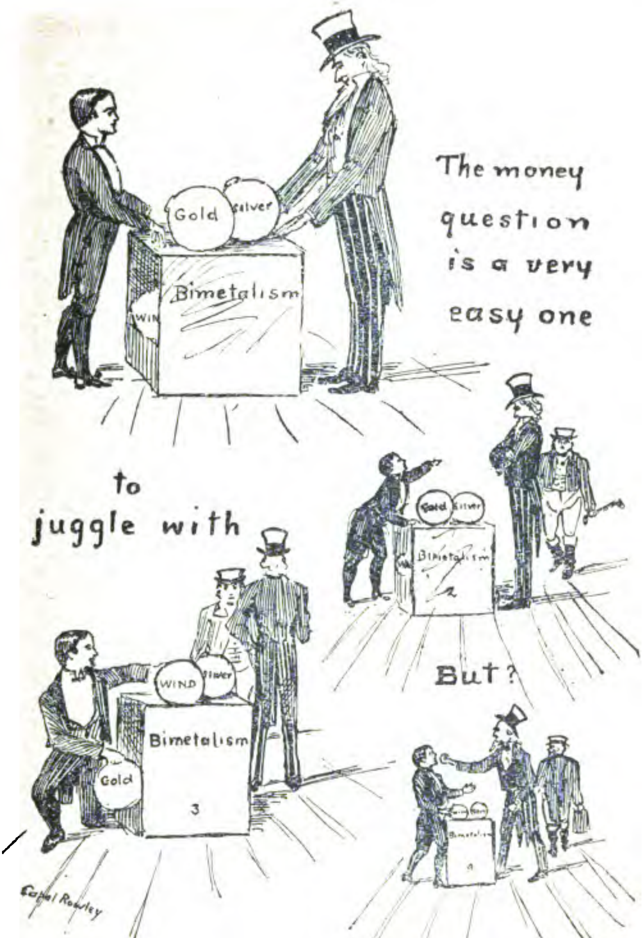
Coin was still master of ceremonies, and right here suggested that it was time to adjourn. I asked him if he would come again to-morrow. Coin hesitated. It was plain that he did not want to. But the audience demanded another session, Coin finally assented and eight o'clock that night was fixed upon as the time.

CHAPTER IV.

THE SECOND TILT.

THE time for the second tilt with Coin had arrived. The room at the Art Institute proved altogether too small for those who wished to hear the debate. Eight o'clock came, and no Coin. The crowd became impatient. Soon cries of Cash, Cash, were heard from all parts of the room.

I stepped out on the platform. I began by explaining to the audience that I was in Chicago merely by accident. That I had been drawn into this debate by the accidental discovery of Coin's secret power which he had exercised over his school last week. That I was there without time or opportunity for presenting anything like a concise or systematic exposition of the money question. That my attempt had been and would be to puncture holes in Coin's arguments, that I had no knowledge of the science


The money question is a very easy one
to juggle with
But?
Gold
Silver
Bimetalism
WIND
Bimetalism
Gold
3
Bimetalism
Capel Rowley

of money, superior to that possessed by every fairly intelligent man who had given the subject any attention.

Just here Coin came into the room, but this time he was received without cheers. He took his place on the platform, and said:

"The money question is a very easy one to juggle with, but facts and figures speak for themselves. I ask you all to remember that in my school last week, I proved everything with the statistics—figures, and figures do not lie." Coin ceased speaking.

"Figures do not lie," said I, "but they are the best friends a financial liar ever had.

"In your controversy with Mr. Gage the other day, Coin," I continued, "you stated that the commercial parity of the two metals would be maintained by the unlimited demand created by Government for both metals at an established ratio. Did you not?"

"Yes, I so stated, and correctly," said Coin.

"You drew on the blackboard a picture of a beam of wood with small blocks with strings attached thereto underneath. I see it on the board yet. It is intended to show that with free

coinage of both metals that the strong hands of the government pulling at both strings will keep both blocks (metals) just so high and no higher. That is the idea, is it not?"

"Yes," said Coin.

"Well," said I, "it represents a fiction, and not an actual condition. There never was and never will be in any country for any considerable length of time under free coinage, a general use of both metals. As the commercial ratios vary one or the other will be overvalued, and will stay in circulation while the undervalued one will leave. At no considerable time in this country nor in France, both of which countries you name, did both metals float together until the coinage of silver was restricted and it became in part a token money. Can you deny the correctness of these statements, Coin? Do you deny the existence of the Gresham law, the operation of which I have just stated?"

"I thought I was right," mumbled Coin.

"But it was Mr. Gage who was right, after all," said I.

"You are a bimetallist, are you, Coin?" I asked.

"I most certainly am," answered Coin.

"What do you mean by bimetallist?" I asked.

"I mean the free and full coinage and use of both metals as standard of value without discrimination by the government."

"Do you think it possible to have two standards for the same use?"

"Yes."

"Well, then, you propose a creation. There never has been such a thing. To my mind the proposition involves a contradiction, and all history proves it. You have yourself said that silver was the standard in this country up to '73, and gold since that time."

"But admitting that in the abstract you are right," said Coin, "it is still possible to have a practical bimetallism, is it not?"

"Yes," I answered, "but not under your definition. The only way to have a practical bimetallism is to use one of the metals as a standard and measure the other by it, but always at its commercial ratio, in other words, full value.

"You also illustrated your lecture on the same day," said I, addressing Coin, "by showing two reservoirs of water connected by a pipe. Did you stop to think that a fixed ratio would *plug that pipe?*"

"No," said Coin, looking puzzled.

"That connecting pipe," said I, "should be labeled *commercial ratio*, which is never stationary nor fixed. Trying to fix a ratio for the two metals would be like trying to regulate the flow of water through the connecting pipe without being able to control the supply from each of the feed pipes.

"The only way," continued I, "that government can maintain a parity of coins is to select one of the metals as a standard, and then be prepared to redeem coins of the other in coins of the standard metal at any and all times."

Coin was silent, and an intense stillness pervaded the room. I admitted my inability to make a more satisfactory illustration of the principle involved, but no one was ready to dispute my reasoning.

"Last week," said I to Coin, "Mr. John R. Walsh asked you 'how the government could, by passing a law, add one cent to the commercial value of any commodity.' Suppose now, that the question be changed in form to this: 'Can the government by the passing of a law create value in any commodity?' What would be your answer?"

"I shall give you the same answer I gave to Mr. Walsh," said Coin. "The government can create an extra value in horses by going into the market to buy any considerable number. The increased demand raises the price, not only of the kind the government buys, but all other kinds as well."

"By so doing would it increase in bulk the value of the whole stock of horses in the country?" asked I.

"No," said Coin, "but it would make the number available for general use smaller, and add value to each horse."

"Where would the government get the money to pay for these horses it bought?"

"From the general revenues."

"That is," said I, "by taxing the people."

"Yes," said Coin.

"Then the money paid for these horses, which represents the increased price of what are left, would simply be money taken from the people and transferred to the horse market?"

"Yes," said Coin.

"And is that," said I, "what you call the creation of value?"

No answer.

"You can apply the same test," continued I, "to every operation of government which appears to make value, and you will find that in every case it is only a transfer from the people through its taxing machine, sometimes loaned to selfish individual interests through a protective tariff. Nothing but human labor can create value, and all forms of value are but the product of labor or the power to command it."

"Do you dispute these propositions?" said I, turning to Coin.

"You appear to be right," muttered Coin in an undertone.

"During the third day's session," said I, addressing Coin, "you exhibited some fancy pictures or charts showing what you call redemption money as a base with all forms of credit based upon it. Did you mean by that that credits are based upon actual money only?"

"Yes," said Coin, "all forms of credit are based upon gold at the present time, and the base is insufficient."

"And right there is where you are wrong," said I, "and that error is what has befogged

the whole question. Gold is not the basis of value and never was; it is only a measure of values which exists in cotton, wheat, wool, iron, brick blocks, lands, silver, copper, and a thousand other things which minister to the wants of man. Gold is no more the basis of values than the yard stick is the basis of cloth or the pound weight the basis of sugar. The value of any commodity rests upon its utility and is controlled by the amount of labor it takes to produce it.

"The credits of the country are based upon the property of the country. The debts of the country are paid in its commodities, the products of the soil and the handicraft of its people. Money measures the value of those products, and is a convenience for their interchange. Credits are not ruined by the varying supply of money. The present panic came upon us when money, even what you call redemption money, was more plentiful than ever before in this country's history. It was caused by an overvaluation of the properties upon which the credits were based.

"These properties are cheaper, not because

there is less money, but because it takes less labor to produce them than it did when they were formerly valued as a basis of credit."

"But I claim," said Coin, "that the range of prices is dependent upon the volume of redemption money in the country."

"If that be so," said I, "it would be impossible for the wealth of the country to increase unless the volume of money increased, and at no greater ratio than the increase in money."

"That is correct," said Coin, "that is the quantitive theory of money and is held by all the great economists of the world."

"But," said I, "the property of this country, the value of it expressed in dollars, has increased at more than twice the ratio of the increase of money, counting both redemption and credit money.

"I suppose you will admit," continued I, "that the per capita circulation of money is approximately two and one-half times as much in France as it is in England."

"Yes," said Coin.

"But the prices of the great staples do not vary much in the two countries," said I.

"No," said Coin.

"Then, what becomes of the quantitive theory of money?" asked I.

"I don't know," said Coin, "but you must remember that you are now quarreling with all the great economists of the world."

"Well," said I, "so far as this debate is concerned, I can afford to quarrel with them on one proposition if you can quarrel with them on all the balance of economic science. Your respect for authoritative opinion seems to have developed very suddenly. You will remember that you charge all the great teachers of political economy with being nothing but the tools of the great capitalists."

Coin looked confused, the audience cheered.

"Right here I want to go outside the statement made in your school.

"I am informed that you stated publicly in the corridors of the Palmer House that the Rothschilds own nearly half of the gold in the world."

"I did not state it on my own authority," he replied. "I quoted it from the Chicago *Daily News*."

"Did the *News* really make such a statement?"

"Yes," replied Coin.

"And did you believe it?"

"Well, I don't know," answered he.

"If you don't know," said I, "you ought to be ashamed of yourself, posing as a teacher of political economy, to make or quote a statement which does such violence to common intelligence."

Coin blushed and hung his head.

"The other day in your school, Coin," said I, "in reply to Mr. Sovereign, you announced a new kind of money based on labor. Can you tell me what advantages it would have over other and well known forms of credit money?"

"It would increase the basis for credit money and relieve property of the burden," replied he.

"Then you abandon the idea that primary money only is the basis for credit money, and propose to use a prospective value to be created by labor? Do you see inconsistency in your new position?"

"I have changed my mind about the basis of credits including credit money," said Coin.

Said I, "A credit money based upon services to be rendered through the government would undoubtedly pass in a limited way, but it would be at a disadvantage compared with other kinds of money. Its redemption would be limited to a single kind of service, where other kinds of credit money are good for all sorts of service.

"It would be like Lyman Gage pledging his future salary as president of the First National Bank, to a broker for a small loan, when he had a million dollars in government bonds locked up in his private box. Your discovery, Coin, is worthless.

"At your fifth session last week," I said to Coin, "in your discussion with Mr. Eames over the purchasing power of a bushel of wheat, you exhibited two rubber balls, one to represent the debts of the world and the other, about twice its size, representing the property of the world. In the first place the balls do not represent correctly the comparative volume of debts and property. Suppose they did, your statement that the larger one has been shrinking on account of demonetization of silver is not correct. In fact, it has not been shrinking at all except

temporarily by the shock of panic. It has grown steadily ever since 1873 and more rapidly than it ever did before. The smaller ball has grown too, but in nothing like the proportion of the larger one. I make this statement without fear of contradiction by any intelligent man.

"So far as the purchasing power of a bushel of wheat is concerned, whether it has increased or diminished proves nothing in a discussion like this. It is not a standard. The bushel of wheat cost the old-time farmer more hard labor than three bushels do now, and the three bushels will buy more than the old one formerly did—*and that is the crucial test.* The old chestnut you got off about the National debt has been answered a hundred times. It will, of course, take more property to pay the remaining debt dollar for dollar, than it did that portion of the debt first paid; *but it will take less labor to get that property.* The remaining $1,000,000,000 of national debt will be settled by *one half the human labor required to pay the first reduction of $1,000,000,000.*"

Just here Coin said that the session had already lasted longer than usual, and that it was time to

adjourn. He stated that he had not been feeling very well all day, and that there would be no more sessions of the school. "I will, however," said he, continuing, "publish a book explaining the theories of my Financial School. I assure you, my fellow-citizens, that before publishing this book I will hold consultation with such authorities as Senator Peffer, Mary Ellen Lease and Hon. Geo. C. Ward, and that everything published therein will be standard doctrine according to our 'School.'" With a sickly smile, Coin bowed and started to retire.

But it was plain to see that the audience was not satisfied. I made no effort to proceed, because I felt that it would be impolite to do so. But that question was soon settled by the audience.

"Cash! Cash! Cash! go ahead, Cash," came from the crowd with such an earnestness that it could not be disregarded.

"I thank you, gentlemen," said I, "for such an earnest invitation to continue this effort to break down a tissue of falsehood, and to counteract a vicious and dishonest sentiment which is appearing in all portions of our fair America.

It is but the *scum* coming to the surface of a disturbed political sea. But lest it be reabsorbed, *somebody should skim it off.*

"During the few minutes that I shall continue to talk to you, it will be impossible for me to even point out the errors which Coin has imposed upon his people. But I make this broad declaration, that he made not one statement tending to prove the value of his cheap money doctrine which cannot be easily and readily refuted. He juggles with facts. He would cultivate your prejudices. To follow his teachings would be repudiation and disaster, would turn back the wheels of progress and civilization, would again involve us in war with all of its horrors of blood, carnage and waste of substance.*

" 'Heirs of all the ages,' and blessed as no other people ever were, we cannot, fellow-Americans, afford to do violence to our highest conceptions of right and justice.

*"A war with England would be the most popular ever waged on the face of the earth." *Coin's Financial School*, page 132.

"In such a war as they would wage, the United States would grow wealthy and prosperous—as all nations do when there is an expansion of currency." From *A Tale of Two Nations*, by W. H. Harvey, the author of Coin's Financial School.

SOMEBODY SHOULD SKIM IT OFF.

"This splendid city, in which I regret I do not live, is the result of the practical workings of the new conditions during a single generation. During the same time an empire has grown up to the west of it filled with a more prosperous, better fed, better clothed and housed, and more intelligent population than any other part of the world ever before contained. These are but a part of the results that Coin's plan would arrest and subvert. But the world has progressed too far, and he and his vicious philosophy cannot prevail.

"I contend," continued I, "that the great fall in prices during the last forty years has in the main been perfectly legitimate, and that its ultimate result will be most beneficent. It, together with the rise in wages, measures man's increased command over nature, and through it the world is benefited, and to be further blessed by remarkable abundance of all of the good things that make life worth living. The invention of labor-saving machinery, the marvelous new forces which men are harnessing for the service of the human family, the remarkable modern facilities for transportation, and the stoppage of

the waste of war during the last quarter of a century, are what have produced it. It is a condition which has produced temporary hardships for the individuals the need for whose service is thereby eliminated, but for the vast mass of humanity it will bring emancipation from want and the promise of a golden future, when a minimum of time shall be required to provide for physical necessities, and leave full opportunity for a broader physical and mental culture, the full measure of which no mind, however hopeful and optimistic, can conceive.

"As prices, compared with human labor, decline, the condition of the people is elevated. It is the process of a natural law and a phase of evolution. Men struggle against it only because they do not understand it, just as they have in every age fought against the elevating influences which have brought them thus far out of slavery and darkness. It is a process which should be assisted, and if only a fraction of the effort made to stay its progress, had been expended in adjusting conditions to meet it, there would have been no panic, and no 'Coin's Financial School.'"

A burst of applause from the audience came just in time to intensify the emotions of Coin as he slipped quietly out at the side door. I did not see him afterward.

A large number of the leading men present came forward and greeting me warmly, commended my effort. A fine looking gentleman whose name I did not ask, wanted to know if I wished to have a public reception tendered me. I declined the honor, telling him that I had already been in the city longer than I had originally intended, and that as my vacation was over my duties demanded my presence in Vicksburg.

Thus ended Cash's manuscript. I read it carefully, and became so much interested in it that I re-read "Coin's Financial School," and concluded to supplement Cash's argument with a short criticism of some points omitted by him, and to submit some facts favoring the correctness of his theories.

CHAPTER V.

THE CRIME OF '73.

THERE is a vast amount of misrepresentation and misinformation about the currency change in 1873 being peddled about the country by the cheap money agitators, Coin included. It is alleged by these people that the currency law of '73 was passed surreptitiously and was the result of a conspiracy on the part of English money kings, aided and abetted by John Sherman and other American statesmen.

But here are the facts:

In 1834 the mint ratio was changed from 15 to 1 to 16 to 1. This was because gold was worth more than the mint ratio and none of it was coined. It was an attempt to get to the commercial ratio, but they went too far and at once gold was worth less than the mint ratio, or in other words 16 ounces of silver were worth

more than one ounce of gold in the markets of the world, and the silver began to leave the country and gold took its place. Some worn and mutilated foreign coins still circulated in a small way because their real or bullion value was less than their face.

In 1854 Congress, recognizing the situation, reduced the amount of silver in the subsidiary coins—in effect changed the ratio again—limited the coinage and made the new coins a restricted legal tender. No change was made in the size of the silver dollar because, practically speaking, there was none to change. The silver dollar never had been any considerable factor in our money. We had been experimenting with the double standard for more than sixty years and had learned what other nations had already discovered, namely, that a bimetallic standard was an impossibility; and as gold was then the money of the country, Congress did not try to make any change in it, but sought to provide a subsidiary money for the convenience of the people.

The law of '73 was only a continuation of the change of policy adopted in 1853. It

dropped the silver dollar from the list of coins and made gold the unit of value, simply recognizing a condition which had prevailed in this country ever since 1834.

The law of '73 was prepared by the Secretary of the Treasury, Mr. Boutwell, and submitted to John Sherman, then chairman on the Finance Committee of the Senate, in April, 1870. It was submitted to the House in June of the same year. After having been considered during five different sessions of the Senate and House and printed thirteen different times by order of Congress and the debates on it occupying between sixty and seventy columns of the Senate reports and nearly eighty columns of the reports of the Proceedings of the House, and after a consideration of nearly three years,it became a law in January, 1873. It would seem to an unprejudiced mind that this disposes of the oft repeated charge of haste and secrecy. There was no cry raised about it at the time because nobody cared about it, and nobody would care about it now if silver had not become cheaper than 16 to 1 of gold, thereby offering a means of currency debasement.

The unlimited demand afforded by free coinage of both metals does not, as will be clearly seen, keep both metals at the legal ratio. In fact no such unlimited demand exists. The government creates no demand for silver by opening its mints, it does nothing but to certify to the weight and fineness of the metal, and the demand must exist in the commerce of the world in order to give the coined metal any value. The government does not "consume" or use a metal by coining it. It prepares it for ready exchange only. Coin argues that silver was at a premium over gold because the French had given it a higher value than we had. But if that be the reason we had in the same way given gold a higher value than the French had and our gold, if his arguments be sound, should have at once risen to a parity with silver.

In 1878, silver having become cheaper than 16 to 1, there was a strong demand that it again be made into money. The Bland act was a result of that demand, but it was so evident that absolute free coinage would mean silver monometallism that the coinage of silver dollars was restricted to $48,000,000 per annum, but the

full legal tender quality of the silver dollar which was taken from it in 1874 was restored.

Ever since that time silver has been getting cheaper and our government has been struggling with the silver question. The Sherman law of 1890 was a compromise. It was an attempt to bolster up the silver market without loss to the government and without changing the monetary standard. That it did not succeed in staying the fall of silver is well known by everybody. It loaded up the government with a vast stock of silver which is now worth about $130,000,000 less than it cost. The continual fall in the price of silver and the already large volume of overvalued silver in our currency, coupled with the demand by the free silver agitators for a change to the silver standard, was what produced the loss of confidence which precipitated the panic of '93.

It is continually alleged by Coin and his "School" that on account of the so-called demonetization of silver, all farm products have declined at the same rate silver has, thereby proving that gold has gone up and that silver is the real measure of values. As a matter of fact,

of the great staples of the farms of the United States, corn, oats, pork and lard are higher now than they were in 1878, just before we first reached the hard money basis. Therefore if the demonetization of silver has forced down cotton, wheat and wool, it has forced up pork and corn. In truth, all products have gone up or down according to the law of supply and demand, silver included but without reference to silver bullion.

To say that silver was ever demonetized is a play upon words. The white metal is more largely in use as a money to-day than it ever was before, and in the United States it is a full legal tender in any amount for all debts, public or private. In 1873 we had no silver at all; in 1895 we have about $600,000,000 of it in circulation, either in the shape of coins or certificates.

Coin and his "School" are not bimetallists, they are for silver monometallism, or in other words, for a reduction of the standard of values. Coin does not object to gold if it is reduced to the silver standard. If by any means silver should go to a premium over gold, the demand for its coinage on any terms except to reduce

the amount in the dollar would at once cease. Coin would probably then fall back on fiat money.

The writer is not opposed to the use of silver at any ratio at which the parity of both metals can be maintained. We do not know of any one who is. A dollar's worth of silver is entirely acceptable to everybody if represented in a convenient form. But fifty cents' worth of silver bullion cannot be made into a good 100 cent dollar by government fiat. Our present silver dollars are not floating at par on account of their legal tender quality, but only because of the fact that the government redeems them in good value.

The great wrong and disaster of a change in the standard of value can hardly be depicted. It would upset the calculations of all business men and be the greatest means of robbery of the poor and helpless, as well as of the creditor classes, which could be devised. It is conceived of a desire to get something for nothing and is essentially dishonest in its plans and purposes. It cannot succeed, because the great mass of the people are honest and they do not want to escape their just obligations. Neither do they

want another period of unsettled business and wild speculation.

Once let the American people see the real animus of this agitation and they will proceed to squelch it as they did the greenback folly of ten or twelve years ago.

CHAPTER VI.

SOME OF THE EFFECTS OF A CHANGE OF STANDARDS.

THE effect of the free coinage of silver without international agreement and as is proposed by Coin, would be to drop the standard of value by one half and would be the same as reducing the value in a gold dollar one half by cutting the quantity in two.* This would produce a doubling, not of values, as Coin contends, but of prices. It would permit the debtor to discharge his obligations with one half the property or effort it now takes, and would be a practical repudiation of contracts by one half. It would reduce the value by one half of all notes, bonds, mortgages and other evidences of indebtedness

* "With silver remonetized, and a just and equitable standard of values, we can if necessary, by act of Congress, reduce the number of grains in a gold dollar till it is of the same value as the silver dollar. We can legislate the premium out of gold. Who will say that this is not an effective remedy?" *Coin's Financial School*, page 143.

not payable in gold. That would hit the investor and capitalist a hard blow but they would probably survive it and put themselves in position to benefit by the inevitable panic.

The poor people would be the worst sufferers by such a change of standards, for the following reasons: They are the owners of the vast savings deposits, which would be cut one half in value. The surrender values of all life and fire insurance policies, which aggregate a larger sum than the total stock of money in the United States, would likewise be reduced one half. All pensioners and owners of annuities would be deprived of one half the value they are now getting. And most of all, the laboring classes of the country would lose more in wages during the time they were waiting for wages to adjust themselves to the new standard than they could ever hope to gain by repudiating their debts.

That a time of inflation is not the happy time for labor is clearly proven by the experience of labor with the inflated paper money of our civil war period. Taking 1860 as a base—100—the purchasing power of wages declined in 1865 to 66. Wages were nominally higher but really

one third lower when measured in what they would buy. Since 1865, using the same base, 1860, the purchasing power of wages has increased from 66 to 172.1.

It is popularly supposed that the people to be most injured by a change of standards would be the bankers and Wall Street speculators. A greater error never gained currency. The bankers are the greatest debtor class in the country, and owe on the average a greater proportion of their assets than any other class of business men, except the life insurance companies. The Wall Street speculators are debtors as a rule, and the violent fluctuations which a change of standards would produce would be the greatest picnic they have had for years. The banks and life insurance companies are already largely protected against their debtors by gold contracts, while their creditors from the very nature of the case are helpless. They, the bankers and insurance companies, would be great gainers temporarily by a dropping of the standard of value. In the end, of course, they would all suffer from the general disaster which would follow inflation, as surely as the headache follows a drunken spree.

CHAPTER VII.

A FIAT MONEY.

On page 75 of "Coin's Financial School," Coin states:

"You might have a purely paper money. The method would be to have no redemption money, and to make it a legal tender in the payment of all debts public and private."

This is the old "Greenback" idea which was supposed to have died a natural death several years ago. It is a flat contradiction of a half dozen propositions advanced by Coin in the first part of his book.

The principle in some form or other has been tried by most nations at some period of their history—*and never worked.* It is unreasonable to suppose that, if the legal tender quality cannot maintain a money which is a promise to pay a real value, when the promise becomes doubtful of fulfillment, it could give value to a money

which had no value of itself, and no promise to pay any. It could be used to discharge debts, but could not buy property or value. Nothing can be used as a standard of comparison of a quality it does not possess. You cannot measure the power of a steam engine with a yard-stick.

When that prince of demagogues, Ben Butler, was running for the presidency on the Greenback platform in 1884, he came west on a stumping tour. In a speech delivered in Grand Rapids, he said:

"It does not take value to measure value any more than it takes milk to measure milk. A tin cup will measure a pint of milk." And the crowd cheered.

And right here is the basis of this fallacy. To measure a pint of milk is to determine its quantity, or capacity. The pint cup can measure the capacity or quantity only because it contains within itself a unit of capacity. You wish to know the capacity or quantity of milk you are buying. You must use some standard of capacity, with capacity itself to determine it. The pint cup does not tell you whether the liquid is milk or chalk and water, it only tells you how

much there is of it. Capacity measures capacity. And just as truly it takes value to measure value. You say a thing is worth a dollar. A dollar of what? The word "dollar" is no more definite than the word "high." A dollar in gold means something—just as "ten feet high" means something. A "Mexican" dollar means a different but definite thing, just as five feet high conveys a definite idea.

Men will not exchange valuable things for that which has no value of itself, and represents none. Government could fill jugs with water, and label them milk, but nobody would buy them. It could, by its fiat, compel people who had already bought, but not received milk, to take it in lieu of the promised milk. But the operation would cease right there. They would make no more future contracts of that kind.

A money which is good only because men are compelled to take it will not long be good for anything.

CHAPTER VIII.

WHY SOME THINGS ARE CHEAPER.

IN 1840 the average New England mill hand with the machinery there in use, and working fourteen hours per day, produced 9,607 yards of cotton cloth. In 1894 with the improved facilities, and working ten hours a day, the average mill hand produces over 30,000 yards. Working five-sevenths the time, and under vastly improved sanitary conditions, the wages are more than doubled, while the product has been greatly cheapened.

On pages 84 and 85 of "Coin's Financial School," Coin in trying to prove that the decline in prices is not due to improved facilities, states:

"Take the case of wool. There have been no improved facilities for making wool grow on the backs of sheep or of shearing them, in the last twenty years, and yet wool is only about one-third the price it was a few years ago."

And in speaking of the low prices of horses,

says: "It cannot be said that there are any improved facilities for raising horses."

It is a well known fact that the improved transportation facilities have made it possible to put into all the horse and wool markets of the world, horses and wool which cost next to nothing to grow. Horses and wool are cheaper, not because it costs so much less to produce them in the State of New York, but because both products are more easily brought from places where it never did cost much to produce them. Such statements as these above quoted from "Coin" are the quintessence of demagogism.

The increased facilities for mining iron ore, transporting it to the furnaces and for manufacture, have made it possible to produce a ton of steel of good quality with a smaller expenditure of labor than it formerly took to mine a half a ton of low grade ore. On the Mesaba Range, in the Lake Superior district, a high grade ore is scooped up with steam shovels and placed on board the cars as easily and as cheaply as though it were so much sand out of a sand hill. The

cost of placing this ore on the cars ready for shipment has been estimated by some operators as low as four or five cents per ton. It is placed on the great ore carriers entirely by steam power and gravitation and can be carried at a profit to the blast furnaces on the south shore of Lake Erie for less than $1.50 per ton. In Alabama iron ore, coal and limestone are found within a radius of a half mile from some of the furnaces.

Iron is cheap, because it ought to be cheap.

A good carriage costs less than one-third what it did in 1860. Carriages are now so cheap that their use among the farmers and poorer classes has become almost universal in the country districts. Even the thrifty negro ex-slave raising low-priced cotton goes to town in his carriage.

And yet the men who are making these buggies get more than twice the *per diem* wage they got in 1860, and with the present day wage can buy nearly four times as much as they could with a day's wage in 1860.

Who has the right to complain?

CHAPTER IX.

WHY SOME FARMERS ARE IN THE TOILS.

In all the older settled states is a class of farmers who are badly in debt, and, as their produce has declined in price, their debts are harder to pay. To this class the sophistries of "Coin" appeal with peculiar force. The farmer in question is the one who went into debt for land when prices for both land and produce were higher than now. He has seen his equity in his farm growing smaller and smaller each year. It is not difficult to make him believe he is being robbed. But why have his land and wheat declined? First, his land has declined because the wonderful development of railroad and steamboat lines has brought into competition with *his* land almost all the arable land of the world. This has had the effect of nearly destroying such values as are given to land by dense population. It has spread the formerly existing values which covered only a comparatively small area over all the good

farming land in the world, just as the building of electric suburban railroads has affected the value of city residence property,and added to the suburban districts. The farmer's produce is reduced in price becauseof the broadened opportunities of cheap land, and the general use of labor-saving appliances,both in production and transportation.

The farmer thus situated is one of the unfortunates who get in the way of the wheels of progress and civilization. He is, in company with the man whose money is invested in the old-time iron mines, and railroad stock, issued years ago. The village shoemaker, and the man who can "make a whole watch" are in the same procession.

But for every man thus injured a hundred are blessed. The conditions of these unfortunates could be much improved if they only understood the *causes* of their undoing, and would adjust themselves to the new circumstances.

Cheap money,that is a low standard of money, would help those who are now in trouble, but it would be at the cost of repudiation and dishonor, and would produce a new crop of unfortunates. We ought not to check this ten-

dency of civilization towards higher labor and cheaper produce if we could. We might check it with cheap money, but we could not stop it.

Another class of farmers living in the semi-arid west are in distress, and they, too, are calling for cheaper money. These people have gone to and made their homes in a section which never ought to have been settled by farmers. They have sown but did not reap. They are the fit subject of our sympathy and charity, but good land in a region where it rains, or where irrigation is practicable, is what they want, and not cheap money. No inflation of the currency can make their land produce crops; to repudiate their debts by using fifty cents on the dollar will not preserve their credit. They have one and only one remedy, and that is to go where conditions permit prosperity. There are many such places in the Southern States, and their salvation is to move.

CHAPTER X.

A STORYETTE.

JOHN MILBURN had just graduated at the Michigan University, and was spending a few days with the old folks at home.

"John," said the elder Milburn, "I've been readin' what a young feller in Chicago has been sayin' about money, and I'm a good deal mixed up. He says everything has declined in value—except some things, and that we farmers have been getting the worst of it. I confess I think he's almost right, but for all that I can't understand it. Now your schooling has cost me a good bit of money, and I think you ought to be able to explain it."

"You have been reading Coin," said John, with a smile.

"That's the very feller," said Milburn.

"Well," said John, "that boy Coin is very clever, but he tells you a little truth and a great

deal of untruth very ingeniously mixed. You will find, father, that all those things that are made by machinery or are brought by railroads and steamboats from where they are easily produced, are very much cheaper than they formerly were. On the other hand, you will find that in all articles where labor is the chief cost, they are no cheaper but probably higher. You can generally test prices by that rule."

Farmer Milburn said nothing, but got up and went into the adjoining room. He returned in a moment or two with "Coin's Financial School" in his hand. Turning to page 43, he said:

"This feller Coin has got a picture here showin' just how the farmer gets it. First he shows a speaker, a politician probably, a-tellin' the farmers that a bushel of wheat will buy as much as it ever would. Then he shows a farmer a-payin' his taxes, but the taxes ain't a bit less."

"Taxes are mostly used to pay wages or salaries," said John. "Wages have not declined, and you could not expect taxes to decline either."

"Yes, but my wheat has gone down," said the father.

"Your wheat has gone down because it is easier to produce wheat than it was when you were young. You can raise a dollar's worth of wheat even at the present low price, easier than you used to," replied John.

"That's a fact, John, that's a fact."

Turning again to the book, "The next picture shows that the judge's salary is the same," said the father, "but you've already answered that."

"The farmer goes on a trip next," said the father. "He finds the street car fare just the same. How about that?"

"There are two reasons for that," said John. "Street car service very largely represents labor, but the principal one is that street car lines are monopolies and competition cannot reduce the price, but while the price is the same, you get a superior service, and that is really the same thing as a reduction in price."

"The farmer next takes a Pullman at the same old price," said the father. "It does seem as if that ought to come down."

"You are right, father," said John. "Not only the farmer, but everybody else has a right to kick on that score. But when I came home

I took the free Chair Car, and that was good enough for me."

"The farmer next registers at a first-class hotel," said the father, "at the same old price."

"Yes," said John, "but the first-class hotels in Chicago have increased in luxury and elegance as rapidly as the price of your wheat has fallen. There are plenty of places in Chicago where the farmer can get better accommodations than the city possessed thirty years ago, for very much less money than he could then. Quality must be considered, father, in any question of price."

Here John takes the book.

"You next see our farmer at the telegraph office. The picture shows that he pays the same old toll that he used to. But that depends on where he wants to send his message. If it be to San Francisco or New York the telegraph toll is greatly reduced. In fact, it is less than it used to be,unless the old toll was only twenty-five cents. As a whole the telegraph service has been greatly improved, and prices reduced within the last few years."

"Next," continued John, "your farmer gets

a shave and a shine. The prices are the same, because they are only pay for labor performed, and, you know, wages have not declined.

"The farmer then goes to buy tea and coffee, and finds the price the same. It is true that tea and coffee have not declined with wheat—but that proves that our money has not done what Coin claims. Labor-saving machinery has not yet been applied to any extent to the production of tea and coffee. But if Coin had wished to be perfectly fair in his illustration, why did he not include sugar and salt in his grocery list?

"The next picture shows the farmer going to the bank to get his note discounted.

"Now, father," said John, "what rate of interest did you have to pay when you first came to Illinois?"

"I have paid as high as fifteen per cent for short accommodations, and ten per cent on mortgage loans was the common rate."

"What can you borrow money for now?" said John.

"I am owin' some of that money I sent you the last time," replied the father, "and I am payin' six per cent on it. Mortgage loans can

be had as low as five per cent on good security."

"The next picture represents the farmer pummeling the politician," said John; "what do you think of that?"

"I think," said the father, with deep earnestness, "that I made a good investment when I sent you to school. For the life of me I could not get around that feller Coin's arguments; but now I think the man who has to work for his livin' ought to give Coin the same dose the politician got. The workin' men were never as well off as they are now, and as for hired girls, why, you can't tell one you see on the village street from a banker's wife."

CHAPTER XI.

PURCHASING POWER OF GOLD.

"THE increased value of gold," is the text of "Coin's Financial School," and is likewise the scarecrow of the soft money advocates all over the country.

Cash, in his first day's argument with Coin, shows that compared with human labor gold has not increased in purchasing power, but has actually declined. Nevertheless since the subject is a most important one, a further word of explanation may not be amiss.

It is true that compared with wheat, iron, wool, cotton, and a great variety of other products, gold has a greatly increased purchasing power. But that is because gold has more nearly held its own, while other products have been cheapened. Why these other products are cheaper has been fully explained in other pages of this book.

That gold still measures human labor better than any other product, that relative to labor it has declined less than any other product, is the best evidence of its utility as a commercial measure of values. A unit of human labor, while it is the real test of values, is not such a commodity as can be used as measure in commercial transactions. The one article of commerce which has most continuously kept near labor, is gold. As the purchasing power of labor has increased, so has that of gold—but at a lesser rate. If a unit of labor and its equivalent unit of gold could remain identical in purchasing power, then gold would be an ideal measure of value.

If by reason of restricted production or increased demand, gold should show an increasing purchasing power over labor, then will be the time to think of selecting some other commercial standard. From present indications there is no early prospect of such a condition arising. The supply of gold from the mines was never so great as now, and with improved methods of mining it is likely to increase rather than diminish. It is interesting to note in this connection

that the present production of gold alone is many millions more than *twice the production of both gold and silver in any year previous to 1850.* The production of both gold and silver for 1849 was $66,100,000. Estimated production of gold for 1895, $175,000,000.

The gold production in the whole world in 1849 was $27,100,000. The present rate of gold production is about six and one half times that amount.

Between the years 1811 and 1821 the average annual production of gold was only $7,606,300 for the whole world, less than 1-23 of the present output; or an increase of 2,300 per cent since the above named decade.

In view of the increasing output of gold, and the increased facilities for exchange by means of checks, drafts, money orders, etc., thereby relieving gold of its duties as a medium of exchange to a very large extent, it is hardly necessary at this time to worry ourselves about the enhanced price of gold.

CHAPTER XII.

LEGAL TENDER.

COIN fought shy of the subject of legal tender all the way through his book. He mentions the subject, but only incidentally. But it is easy enough to see from his propositions that a legal tender quality is an essential in his monetary philosophy.

The legal tender quality is given to money for the purpose of making it "go" by law, when it will not go on its own merits.

Legal tender laws are one of the means by which government becomes a party to private robbery. They are entirely impotent and unnecessary whenever applied to full value money, or money which is readily redeemable in full value. Legal tender and non legal tenders float together at par in our currency at the present time, because the government guarantees the parity of all of our present currencies with gold. The object of the legal tender quality

is to permit individuals to satisfy contracts based upon good money with a cheaper or depreciated money. Its purpose is to *compel* one of the parties to accept less than the agreed value. Nobody is ever compelled to take a full value money. It is always acceptable.

It is related that in the year 1860 A. T. Stewart, the New York merchant prince, made a contract with a Hudson River quarryman, by which the quarryman was to supply Stewart with the stone for his magnificent residence, at a specified price per cubic foot.

The war came on and with it a debased currency. The number of dollars which the quarryman had agreed to take would not pay the labor at his quarry, because they were worth less than half the dollars he had based his figures upon. But the contract was binding and the new paper dollars were a *legal tender*. Legally they satisfied the contract—but nevertheless *robbed the quarryman.* It is alleged that Stewart enforced the contract and ruined the quarryman. Whether or not the story be literally true we cannot say, but it illustrates many thousands of cases which did actually occur and

which would be repeated if Coin should succeed in his soft money crusade.

Legal tender means robbery whenever it means anything.

CHAPTER XIII.

THE ROCKY MOUNTAIN DOLLAR HUNTER.

See "Coin's Financial School," page 134.

A Rocky Mountain dollar hunter went forth one day to hunt for dollars. Before going he had borrowed twenty gold dollars from an Englishman to be used as ammunition. He hunted long and earnestly, but found no dollars. Returning with the ammunition intact he met his creditor, who of course wanted his wealth returned. He dodged the Englishman that night, but the next day met him again. This time the Englishman was on one side and the sheriff on the other and there was no escape. The Rocky mountain dollar hunter then prayed, and this was his prayer:

"Oh Government! I am a poor man and the special subject of thy care. I have borrowed from a bloody Britisher twenty dollars; it is all

I have, and the sheriff is about to take it all from me and leave me penniless. You have made all the laws for the Britisher, and I beseech thee, therefore, oh Government, to take these twenty dollars and make forty of them. I can then pay my debt and have twenty dollars left. If you will not do that, don't be on the Britisher's side. Call off your dog (the sheriff); lay low and watch me lick the beastly gold-bug within an inch of his life."

CHAPTER XIV.

A PARABLE.

See "Coin's Financial School," page 125.

A MOTHER quail with her young quail brood had a home in a wheat-field, as had been the habit with quails from time long past. The wheat was getting ripe, and the mother quail gured her children to eat heartily of the golden grain while yet they could get it. "In the olden time," said the mother quail, "our ancestors had more time in which to eat and grow fat on the farmer's grain, before the harvest could be finished, but now the farmer uses a machine, and cuts more grain in one day than he did before in five. Then, too, in the old time a large part of the grain was shelled out and fell to the ground, which made it easier than ever to get. Now the new-fangled machine saves it nearly all, and although there are not nearly so many

of our family and much larger wheat fields, it is now harder to live.

"In the time I am speaking of the farmer had to call in many others to help him, but now his machine does it nearly all, in a short time, and when the grain gets fully ripe we shall have to move at once; we shall then have to take to the woods where there is little to eat, and great danger from dogs and guns. Truly, my children, our lot has fallen in an evil time, and unless we can get a law passed declaring that half our former rations shall make a full meal, I fear we shall all die of starvation."

CHAPTER XV.

COIN AND REPUDIATION.

FACING page 64 in "Coin's Financial School," is a full page illustration which proves "Coin" to be of a very spurious metal.

It is really an illustrated story in itself. It represents the Eastern capitalist out West with his grip full of greenbacks which he is about to loan to the Westerner, who is represented as an Indian. The Western man borrows the greenbacks and gives his bond payable in gold.

The story thus starts off with a falsehood. It never was customary to take gold contracts for greenbacks loaned until after the resumption of specie payments, when the greenbacks and gold were interchangeable at par. Gold contracts are of a comparatively recent date, and have been brought about by the demand for a depreciated currency by men like Coin and his followers.

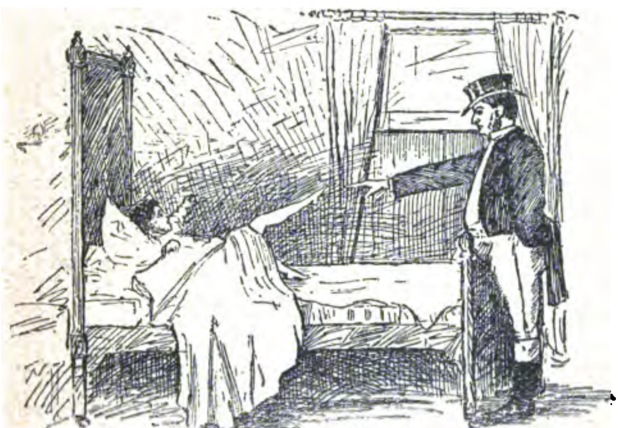
The next picture shows the Westerner borrowing the money and devouring the substance. Picture number three shows that the West is being inflated. Picture number four shows the East rejoicing at its "Easy Victory." This period evidently must have been about the time when the Westerner was paying his interest promptly.

Pictures number five and six show the East getting a "shaking up." The West is going up like a kite and the East is consequently very much demoralized. This is the truest part of the whole illustration. Pictures number seven and eight show the West in a meditative mood and planning its revenge. Why it needs or is entitled to any "revenge" is not shown.

Picture number nine shows the West boycotting the East, "destroying" the bond by force and mutilating the countenance of the man who had loaned him his money.

Number ten is the center-piece, and represents the West with arms interlocked on a seat with the South and each about to take a drink of the Kentucky extract, and for the evident purpose of celebrating a union which means an all around "getting even."

Our command of the "United States" language is not sufficient to condemn the sentiment and teaching of this illustration. It, and in fact the whole book, breathes the spirit of dishonesty and repudiation—a sentiment which cannot find root in the minds of a great and patriotic people. It is not in any sense true, and is a gross libel on the people of the West and South.



CHAPTER XVI.

CLIPPED COINS.

WHY did Coin tell his people that the law of 1873 made silver a legal tender in sums not exceeding five dollars, and not tell them that silver dollars are now a full legal tender in unlimited amounts, thereby creating a wrong impression?

Why did Coin tell his listeners that checks and drafts do not to any very great extent facilitate exchange, thereby taking the place of actual money, when it is a well known fact that more than nine tenths of the exchanges of the country are made that way?

Why did he say, on page 111 of "Coin's Financial School," that to cut the gold dollar in two, and make each dollar 11.6 grains of pure gold— one half its present weight, would double the value of all the property in the United States?

If that were possible the government could make us all rich by repeating the operation a

few times. The proposition is too absurd to fool any person of sense. We would, of course, have twice as many dollars, but they would be worth only one half as much each. Coin's proposed money would be in high favor among the plantation darkies of the South, who prefer to have their pocket money in nickels, because it looks bigger.

Why did Coin, on page 116 of his "School book," in discussing price of corn, quote only the figures for the crop of Illinois? The Illinois product does not control the corn market. It is not even first in production. This is a sample of Coin's juggling.

On page 119 Coin says: "The total debts in the United States, national, municipal, state, county, corporate and private, are now estimated to be about 40,000 millions of dollars. The interest on 40,000 million at an average rate of six per cent per annum is 2,400 million."

We admit that Coin is quite handy with figures, but we would like to know why he did not make his case stronger by "estimating" the debts at 80,000 millions of dollars and the interest rate at ten per cent. That would make 8,000

millions of interest. Then nobody could tell him how 1,600 millions could possibly pay it.

As a matter of fact Coin's "estimates" are wild, and he further makes a mistake when he presumes that the West sends its money East to pay interest. The West pays the East in its products, and the actual money which is transferred from one section to the other represents only a small fraction of the business done.

The same error is made by the excitables who ask with alarm, "How can we ever pay England $5,000,000,000 when there is only $1,600,000,000 in the whole country and only a little over one-third of that gold?"

The answer is the same. We will send the Englishman something to eat and to wear and discharge the debt, keeping the money we borrowed. If we act square with him he will lend us some more money, if we should ever need it.

CHAPTER XVII.

SIX TESTS FOR CURRENCY PLANS.

REJECT them:

When they propose a violent change of the standards of value.

That would be disastrous to business.

When they propose to have unlimited coinage of two kinds of coin money of variable value.

That means a monometallism of the cheaper metal.

When they propose a paper money not redeemable in a good standard of value.

It would be worthless.

When they propose a money good enough to use at home but which the foreigner will not take.

The best is none too good for us

When they propose by legal tender qualities

to force an undesirable credit or low valued money on to creditors.

That is dishonest.

When they propose to create value by government fiat, or in other words make something out of nothing.

It cannot be done.

CHAPTER XVIII.

THE RICH GROWING RICHER.

"The rich are growing richer, and the poor poorer."

THIS is the shibboleth of populism, the creed of the discontented. If it were true it would portend chaos for social order, and a war of classes.

It only needs, however, a slight examination of present conditions, and a comparison with the past which most of us can remember, to make manifest the untruth of the proposition. It is not true. There never before was a time since mankind began to wear clothes and eat cooked food when honest effort would command so much for comfortable living. The poor man to-day eats as good food, wears as good clothing, reads better newspapers, rides in better carriages, and can be as well or better educated, than the aristocrat and nabob of a hundred years ago. Babylon, Athens, Rome and Carthage were builded by the unrequited labor of

bondmen. The magnificent cities of our day are the results of free and better paid labor than the world ever knew before. The rich are growing richer—*so are the poor.**

From the slaves whom Cleopatra poisoned to test her drugs, to a conference in Chicago where capital and labor meet upon terms of perfect equality before the law for the purpose of adjusting and arbitrating their differences, is a long step, but it measures accurately the distance that labor has traveled on the road to complete emancipation.

The writer of these pages concedes to no man a more sincere sympathy for the toiling masses than he, himself, possesses. But because of this, he would warn them against the visionary and reactionary schemes which would lead

*The Minnesota State report on the condition of the farmers of that State issued recently gives the following figures:

Total farm mortgage debt	$ 39,000,000
Increase for ten years	4,000,000
Increase in value of farm machinery in the same time	3,826,000
Increase in live stock	26,860,000
Increase in land values	146,000,000
Total increase in wealth	$176,686 000
Increase in debt	4,000,000
Net increase in wealth	$172,686,000

The mortgage foreclosures in 1892 and 1893 as compared with 1880 and 1881 show a decrease of 33.1 per cent in number, 34.4 per cent in amount and 12.5 per cent in acreage.

Not a bad showing.

to their undoing. The complete freedom, in which labor shall receive its full reward and no man shall rob his neighbor, will be the result of the processes now working, slowly but with increasing momentum. Evolution always working towards the ideal and not revolution which would plunge us into darkness and dishonor, is the hope of mankind.

Step by step the problem will be worked out. The foothold gained to-day will be the vantage ground for to-morrow's struggle. There is no royal road to wealth, and there is none to the millennium. Honest, earnest men and women, promising not too much, but demanding the hard conditions of success, will lead the way.

"God gives no value unto men
Unmatched by meed of labor;
And Cost, of Worth, has ever been
The closest neighbor."

HOLLAND.

ADDENDUM.

ADDENDUM.

A CURRENCY PLAN
FOR
A PRACTICAL BIMETALLISM

Keep as the standard of value the gold dollar of present weight and fineness.

Let the government receive silver bullion without limit, at the market price, and issue therefor silver certificates, payable upon demand in silver bullion or coin, but always at full value as measured in gold.

These silver certificates, always payable in full gold value, would float side by side with gold coin or certificates. They would be of equal value and readily interchangeable.

The government would lose on any decline in the price of silver, and would gain by any increase. The larger use of silver, thereby, would probably enhance the price. Any probable loss from a decline in the price of silver

would be more than compensated for by the advantage of a stable currency.

So long as it is necessary to issue a credit money:

Let it consist of plain greenbacks—promises to pay;

Let them be redeemable in either gold, gold certificates or silver certificates at the option of the government; or

Make them convertible into a two per cent government bond—an interconvertible bond which may be exchanged for the greenbacks again upon demand of the holder.

Let the present subsidiary silver coinage stand.

The advantages of this plan are:

It would preserve the present standard of value, and produce no business shock.

It would permit the full and free use of silver at *what it is worth.*

It would produce no flood of silver, since the government would pay only market value therefor—a rate for which the silver might be sold in open market for gold.

The proposed credit money would constitute

a flexible currency which would always answer to the demands of business. It would increase and decrease according to demand, and no currency famine could occur so long as there were outstanding interconvertible bonds.

This plan would not suit free silver advocates who want the 16 to 1 ratio, because what they really want is to reduce the monetary standard to fifty per cent of its present value. It ought to suit the "hard" or honest money element, because it would be a full value money, and there would be no chance for a depreciation so long as the government kept its faith—the ability to do which would long outlast any experiment of this kind, in case it did not prove successful.

This plan is not proposed as a panacea; it is given for what it is worth, in the belief that it has some merits which can stand the tests of sharp criticism.

THE END.

All those who are in sympathy with the aims and purposes of this book, and who desire to circulate it, are invited to address the author, Edward Wisner, Monroe, La., or the publishers, Charles H. Kerr & Company, 175 Monroe Street, Chicago, for lowest cash prices by the dozen, hundred or thousand.

SISTER GRATIA

BY

C. EDGAR SNOW

This fascinating new novel from the pen of Chauncey Edgar Snow is sure to attract widespread attention. In point of originality, thrilling interest and good moral motive, "Sister Gratia" has no peer. The book is realistic, but not marred with evil license or moral taint; it is dramatic, but not ranting; it has a purpose, but not to "reform the human race," or to "furnish bread for the hungry;" its object is to elevate, enliven and entertain.

The opening chapter of "Sister Gratia" admits us into "one of those old houses in the picturesque environs of gay Paris," and here we are introduced to the *two* heroines and the hero of the story. Of the two beautiful girls we at first cannot decide which will enlist our sympathy. "Sister Gratia" takes us through Paris, Florence, Rome and New York City; it introduces us to Evert Dollond, whose noble character wins our endearment; to Grace and Lillian, the former strong and true to friendship for the latter, who, in consideration of her unrequited love for Evert, enlists our sympathies; to M. Jean Orfila, a kind hearted but eccentric Frenchman of means, in whose disposition is a fine sense of the humorous; to Count Victor Villemain, the shrewd schemer who endeavors to win by fair or foul means the love of Grace; and who, being a sagacious man of the

world, touches the foul fingers of felony with so light an impress as to challenge our wonder if not admiration; to the Marquis de Vilbonne, a "cold, dignified personage" who aids the count in many gentlemanly (?) enterprises; to the cautious coachman, Antoine, and Madame Fesch, Count Villemain's housekeeper, who "is but a living monument of bone and skin;" and then come numerous minor characters of more or less importance; and last to be considered by us is that "pretty little mite of humanity," Camille, of only four summers; for her sweet self lives are risked and fortunes spent; and yet, in her own words, "Camille ain't dot no doll," she acknowledges her poverty.

With a nicety of tact Satan himself is made to strut upon "this diminutive ball of substance and matter;" and the way his Satanic Majesty scores the weakness, the sinfulness and the moral depravity of aristocratic humanity, is truly soul-stirring. And from the opening sentence of "Sister Gratia" to the denouement on the final page of the book there is carried through this story a plot of thrilling interest. To achieve personal possession of the beautiful "Sister Gratia" becomes Count Villemain's object in life; to ascertain which girl, Grace or Lillian, is his sister, Evert Dollond spends a fortune and endangers his life repeatedly; to shield from the dagger's thrust the body of the man she loves, Lillian throws herself before the glittering blade; to save her maiden virtue and prove to the world that, in the nineteenth century, there are women who would prefer death rather than surrender honor, "Sister Gratia" becomes a prisoner. And so we might go on indefinitely reciting incidents that occur in this brilliant story, whose men and women seem to live and breathe. Paper, 25 cents.